

# HOUSE BILL No. 1420

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.1-1.

**Synopsis:** Equipment tax abatements. Provides that tax abatement for certain logistical distribution or information technology equipment installed in certain counties in which Interstate Highway 69 is located applies if the resolution approving the abatement is adopted before January 1, 2006.

**Effective:** July 1, 2005.

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**Turner, Espich, Borrer, Reske**

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January 13, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1420

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-12.1-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. For purposes of this  
3 chapter:

4 (1) "Economic revitalization area" means an area which is within  
5 the corporate limits of a city, town, or county which has become  
6 undesirable for, or impossible of, normal development and  
7 occupancy because of a lack of development, cessation of growth,  
8 deterioration of improvements or character of occupancy, age,  
9 obsolescence, substandard buildings, or other factors which have  
10 impaired values or prevent a normal development of property or  
11 use of property. The term "economic revitalization area" also  
12 includes:

13 (A) any area where a facility or a group of facilities that are  
14 technologically, economically, or energy obsolete are located  
15 and where the obsolescence may lead to a decline in  
16 employment and tax revenues; and

17 (B) a residentially distressed area, except as otherwise

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- 1 provided in this chapter.
- 2 (2) "City" means any city in this state, and "town" means any town
- 3 incorporated under IC 36-5-1.
- 4 (3) "New manufacturing equipment" means any tangible personal
- 5 property which:
- 6 (A) was installed after February 28, 1983, and before January
- 7 1, 2006, in an area that is declared an economic revitalization
- 8 area after February 28, 1983, in which a deduction for tangible
- 9 personal property is allowed;
- 10 (B) is used in the direct production, manufacture, fabrication,
- 11 assembly, extraction, mining, processing, refining, or finishing
- 12 of other tangible personal property, including but not limited
- 13 to use to dispose of solid waste or hazardous waste by
- 14 converting the solid waste or hazardous waste into energy or
- 15 other useful products; and
- 16 (C) was acquired by its owner for use as described in clause
- 17 (B) and was never before used by its owner for any purpose in
- 18 Indiana.
- 19 However, notwithstanding any other law, the term includes
- 20 tangible personal property that is used to dispose of solid waste or
- 21 hazardous waste by converting the solid waste or hazardous waste
- 22 into energy or other useful products and was installed after March
- 23 1, 1993, and before March 2, 1996, even if the property was
- 24 installed before the area where the property is located was
- 25 designated as an economic revitalization area or the statement of
- 26 benefits for the property was approved by the designating body.
- 27 (4) "Property" means a building or structure, but does not include
- 28 land.
- 29 (5) "Redevelopment" means the construction of new structures in
- 30 economic revitalization areas, either:
- 31 (A) on unimproved real estate; or
- 32 (B) on real estate upon which a prior existing structure is
- 33 demolished to allow for a new construction.
- 34 (6) "Rehabilitation" means the remodeling, repair, or betterment
- 35 of property in any manner or any enlargement or extension of
- 36 property.
- 37 (7) "Designating body" means the following:
- 38 (A) For a county that does not contain a consolidated city, the
- 39 fiscal body of the county, city, or town.
- 40 (B) For a county containing a consolidated city, the
- 41 metropolitan development commission.
- 42 (8) "Deduction application" means either:

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- 1 (A) the application filed in accordance with section 5 of this  
 2 chapter by a property owner who desires to obtain the  
 3 deduction provided by section 3 of this chapter; or  
 4 (B) the application filed in accordance with ~~section 5.5~~ **section**  
 5 **5.4** of this chapter by a person who desires to obtain the  
 6 deduction provided by section 4.5 of this chapter.
- 7 (9) "Designation application" means an application that is filed  
 8 with a designating body to assist that body in making a  
 9 determination about whether a particular area should be  
 10 designated as an economic revitalization area.
- 11 (10) "Hazardous waste" has the meaning set forth in  
 12 IC 13-11-2-99(a). The term includes waste determined to be a  
 13 hazardous waste under IC 13-22-2-3(b).
- 14 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 15 However, the term does not include dead animals or any animal  
 16 solid or semisolid wastes.
- 17 (12) "New research and development equipment" means tangible  
 18 personal property that:  
 19 (A) is installed after June 30, 2000, and before January 1,  
 20 2006, in an economic revitalization area in which a deduction  
 21 for tangible personal property is allowed;  
 22 (B) consists of:  
 23 (i) laboratory equipment;  
 24 (ii) research and development equipment;  
 25 (iii) computers and computer software;  
 26 (iv) telecommunications equipment; or  
 27 (v) testing equipment;  
 28 (C) is used in research and development activities devoted  
 29 directly and exclusively to experimental or laboratory research  
 30 and development for new products, new uses of existing  
 31 products, or improving or testing existing products; and  
 32 (D) is acquired by the property owner for purposes described  
 33 in this subdivision and was never before used by the owner for  
 34 any purpose in Indiana.
- 35 The term does not include equipment installed in facilities used  
 36 for or in connection with efficiency surveys, management studies,  
 37 consumer surveys, economic surveys, advertising or promotion,  
 38 or research in connection with literacy, history, or similar  
 39 projects.
- 40 (13) "New logistical distribution equipment" means tangible  
 41 personal property: ~~that:~~  
 42 (A) ~~is installed~~ **for which a resolution under section 2.5 of**

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**this chapter to authorize a deduction, as required under section 2.3(b) of this chapter, is adopted** after June 30, 2004, and before January 1, 2006;

**(B) that is installed** in an economic revitalization area:

(i) in which a deduction for tangible personal property is allowed; and

(ii) located in a county referred to in section 2.3 of this chapter, subject to section 2.3(c) of this chapter;

~~(B)~~ **(C) that** consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

~~(C)~~ **(D) that** is used for the storage or distribution of goods, services, or information; and

~~(D)~~ **(E) that** before being used as described in clause ~~(C)~~, **(D)**, was never used by its owner for any purpose in Indiana.

(14) "New information technology equipment" means tangible personal property: ~~that:~~

**(A) is installed for which a resolution under section 2.5 of this chapter to authorize a deduction, as required under section 2.3(b) of this chapter, is adopted** after June 30, 2004, and before January 1, 2006;

**(B) that is installed** in an economic revitalization area:

(i) in which a deduction for tangible personal property is allowed; and

(ii) located in a county referred to in section 2.3 of this chapter, subject to section 2.3(c) of this chapter;

~~(B)~~ **(C) that** consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

(iv) informatics;

(v) network administration;

(vi) software development; and

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- 1 (vii) fiber optics; and
- 2 ~~(C)~~ **(D) that** before being installed as described in clause ~~(A)~~;
- 3 **(B)**, was never used by its owner for any purpose in Indiana.

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